

**Amendments to the Claims:**

This listing of claims will replace all prior versions, and listings, of claims in the application.

**Listing of Claims:**

Claim 1 (**currently amended**): A method for forming a lending instrument, the method comprising the steps of:

selecting a principal to be borrowed;

defining an interest rate;

selecting a loan term;

selecting an initial payment; and

calculating a growth rate whereby a stream of payments, as defined by the initial payment, the loan term, and the growth rate, has a present value equal to the borrowed principal,

wherein the present value is calculated using the interest rate,

~~wherein the stream of payments increases during half or more of the loan term, and~~

~~wherein the growth rate is neither a whole percent nor a half of one percent or~~

~~combinations thereof.~~

**wherein the growth rate is less than two percent, and**

**wherein the loan term is of thirty or more years.**

Claim 2 (previously cancelled)

Claim 3 (previously cancelled)

Claim 4 (previously cancelled)

Claim 5 (previously amended): The method of claim 1, wherein the initial payment is greater than or equal to an interest portion of an initial payment of a fixed rate conventional loan having constant payments and the interest rate, principal, and loan term.

Claim 6 (**currently cancelled**)

Claim 7 (**currently cancelled**)

Claim 8 (**currently amended**): The method of claim 1 further comprising selecting a buydown amount, wherein a portion of the stream of the payments is less than ~~an interest due at the interest rate~~ the interest due on the principal and wherein the stream of payments is further defined by the buydown.

Claim 9 (original): The method of claim 8, wherein the buydown amount is included as an increase to the selected principal.

Claim 10 (**currently amended**): A lending instrument created through a process comprising the steps of:

- selecting a principal to be borrowed;
- defining an interest rate charged for the principal;
- selecting a term;
- selecting an initial payment; and

calculating a growth rate, whereby a stream of payments for the lending instrument, as defined by the initial payment, the loan term, and the growth rate, has a present value equal to the borrowed principal,

wherein the present value is calculated using the interest rate,

~~wherein the stream of payments increases during half or more of the loan term, and~~

~~wherein the growth rate is neither a whole percent nor a half of one percent or combination thereof.~~

wherein the growth rate is less than two percent, and

wherein the loan term is of thirty or more years.

Claim 11 (previously cancelled)

Claim 12 (previously cancelled)

Claim 13 (previously cancelled)

Claim 14 (previously amended): The lending instrument of claim 10, wherein the initial payment is greater than or equal to an interest portion of an initial payment of a fixed rate conventional loan having constant payments and similar interest rate, principal, and term.

Claim 15 (**currently cancelled**)

Claim 16 (**currently cancelled**)

Claim 17 (**currently amended**): The lending instrument of claim 10, wherein the method used to form the lending instrument further comprises selecting a buydown amount, wherein a portion of the stream of payments is less than ~~an interest due at the interest rate~~ **the interest due on the principal** for the portion of the stream of payments, wherein the stream of payments is further defined by the buydown, and wherein said buydown reflects an unpaid interest amount from said portion of the stream of payments.

Claim 18 (original): The lending instrument of claim 17, wherein the buydown amount is included as an increase to the selected principal.

Claim 19 (**currently amended**): A lending instrument comprising a stream of payments, the stream of payments having a predefined initial payment and subsequent payments comprised of the initial payment modified by a predefined growth rate, wherein the growth rate is calculated so the stream of payments has a present value equal to a borrowed principal;

~~wherein the stream of payments increases at the growth rate during half or more of the loan term, and~~

~~wherein the growth rate is neither a whole percent nor a half of one percent or combination thereof.~~

**wherein the growth rate is less than two percent, and**

**wherein the loan term is of thirty or more years.**

Claim 20 (previously cancelled)

Claim 21 (previously cancelled)

Claim 22 (**currently cancelled**)

Claim 23 (previously amended): The lending instrument of claim 19, wherein the initial payment is greater than or equal to an interest portion of the initial payment of a comparable fixed rate conventional loan having constant payments and the interest rate, principal, and term.

Claim 24 (**currently cancelled**)

Claim 25 (original): The lending instrument of claim 19 further comprising a buydown that is included as an increase in the principal or a decrease in the initial payment.

Claim 26 (previously amended): The lending instrument of claim 19, wherein the stream of payments comprises a plurality of fixed payments.

Claim 27 (previously cancelled)

Claim 28 (previously cancelled).

Claim 29 (**currently amended**): The method of claim 1, wherein the stream of the payments is defined by constant payments equal to the initial payment for a prespecified period of time and subsequent payments comprising the initial payment adjusted by the growth rate at prespecified intervals during the loan term; and wherein the prespecified period of constant payments is longer than the period between any two payments adjusted by the growth rate and is longer than one year.

Claim 30 (**currently amended**): The method of claim 29, wherein the calculating of the growth rate comprises selecting a growth rate; and wherein the subsequent payments further comprise one or more prespecified secondary adjustments to the growth rate.

Claim 31 (previously amended): The method of claim 30, wherein the secondary adjustment comprises a lump sum payment at the end of the loan term, the lump sum payment equal to an outstanding balance of the principal.

Claim 32 (**currently amended**): The method of claim 30, wherein the secondary adjustment comprises a second stream of constant payments that fully amortizes an outstanding principal balance.

Claim 33 (previously cancelled)

Claim 34 (previously cancelled)

Claim 35 (**currently amended**): The lending instrument of claim 10, wherein the stream of the payments is defined by constant payments equal to the initial payment for a prespecified period of time and subsequent payments comprising the initial payment adjusted by the growth rate at prespecified intervals during the loan term; and wherein the prespecified period of constant payments is longer than the period between any two payments adjusted by the growth rate and is longer than one year.

Claim 36 (**currently amended**): The lending instrument of claim 35, wherein the calculating of the growth rate comprises selecting a growth rate; and wherein the subsequent payments further comprise one or more **prespecified** secondary adjustments to the growth rate.

Claim 37 (previously amended). The lending instrument of claim 36, wherein the secondary adjustment comprises a lump sum payment at the end of the loan term, the lump sum payment equal to an outstanding balance of the principal.

Claim 38 (**currently amended**): The lending instrument of claim 36, wherein the secondary adjustment comprises a second stream of **constant** payments that fully amortizes an outstanding principal balance.

Claim 39 (previously cancelled)

Claim 40 (previously cancelled).

Claim 41 (**currently amended**): The lending instrument of claim 19, wherein the stream of payments is defined by **constant payments equal to** the initial payment for a ~~prescribed~~ **prespecified** period of time and subsequent payments comprising the initial payment adjusted one or more times by the growth rate at prespecified intervals during the loan term; **and wherein the prespecified period of constant payments is longer than the period between any two payments adjusted by the growth rate and is longer than one year.**

Claim 42 (**currently amended**): The lending instrument of claim 41, wherein the calculating of the growth rate comprises selecting a growth rate; and wherein the subsequent payments further comprise one or more **prespecified** secondary adjustments to the growth rate.

Claim 43 (**currently amended**): The lending instrument of claim 42, wherein the

secondary adjustment comprises a lump sum payment at the end of the loan term, and the lump sum payment equal to an outstanding balance reflecting the difference between the stream of the payments and a needed stream of payments that achieves the present value.

Claim 44 (**currently amended**): The lending instrument of claim 42, wherein the secondary adjustment comprises a second stream of constant payments ~~payment~~ that amortizes an outstanding balance of the principal.

Claim 45 (previously cancelled)

Claim 46 (previously cancelled)

Claim 47 (**currently amended**): A computer program embodied on a computer readable medium for calculating a lending instrument, the computer program comprising:

a first code segment that is configured to receive a principal to be borrowed, an interest rate charged for the principal, a term, and an initial payment; and

a second code segment that is configured to calculate a stream of payments for the lending instrument, as defined by the initial payment, ~~the~~ a loan term of thirty or more years, and a growth rate of less than two percent, the stream of the payments having a present value equal to the borrowed principal, the present value calculated using the interest rate.

Claim 48 (**currently amended**): The computer program of claim 47, wherein the stream of the payments comprises:

constant payments equal to the initial payment for a prespecified period of time; and subsequent payments comprising the initial payment adjusted one or more times by the growth rate at prespecified intervals during the loan term; and  
wherein the prespecified period of constant payments is longer than the period between any two payments adjusted by the growth rate and is longer than one year.

Claim 49 (**currently amended**): The computer program of claim 48, wherein the first code segment receives the growth rate; and wherein the subsequent payments further comprise one or more prespecified secondary adjustments to the growth rate.

Claim 50 (**currently amended**): The computer program of claim 48 49, wherein the second code section calculates the secondary adjustments, and wherein the secondary adjustment comprises a lump sum payment at the end of the loan term, the lump sum payment equal to an outstanding principal balance

Claim 51 (**currently amended**): The computer program of claim 48 49, wherein the second code section calculates the secondary adjustments, and wherein the secondary adjustment comprises a second stream of constant payments ~~payment~~ that fully amortizes an outstanding principal balance.